

# HOUSE BILL 1198

F5, C8, P2  
HB 571/11 – ECM

2lr1004  
CF 2lr3250

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By: **Delegates Lee, Arora, Barve, Carr, Glenn, Gutierrez, Guzzone, Ivey, Kaiser, Lafferty, Luedtke, McDonough, A. Miller, Minnick, Mitchell, Mizeur, Morhaim, Reznik, B. Robinson, Stukes, and Zucker**

Introduced and read first time: February 10, 2012

Assigned to: Economic Matters and Appropriations

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## A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Biotech SBIR and STTR Bridge Program**

3 FOR the purpose of establishing a Maryland Biotech SBIR and STTR Bridge Program  
4 to be administered by the Maryland Technology Development Corporation for  
5 certain purposes; authorizing the Program to provide grants to certain eligible  
6 biotechnology businesses; stating the purpose of the Program; establishing the  
7 Maryland Biotech SBIR and STTR Bridge Fund as a special, nonlapsing fund  
8 for certain purposes; providing for the administration, sources, and use of the  
9 Fund; requiring a certain audit of the Fund; establishing application procedures  
10 for grants under the Program; establishing certain limits on the number of  
11 grants awarded; requiring the Corporation to adopt certain regulations; refining  
12 certain terms; expressing certain legislative intent related to certain  
13 appropriations; and generally relating to the creation of a program to promote  
14 biotechnology research in the State.

15 BY repealing and reenacting, without amendments,  
16 Article – Economic Development  
17 Section 10–401(a) and (c)  
18 Annotated Code of Maryland  
19 (2008 Volume and 2011 Supplement)

20 BY adding to  
21 Article – Education  
22 Section 21–601 through 21–604 to be under the new subtitle “Subtitle 6.  
23 Maryland Biotech SBIR and STTR Bridge Program”  
24 Annotated Code of Maryland  
25 (2008 Replacement Volume and 2011 Supplement)

26 BY repealing and reenacting, without amendments,

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Article – State Finance and Procurement  
 2 Section 6–226(a)(1) and (2)(i)  
 3 Annotated Code of Maryland  
 4 (2009 Replacement Volume and 2011 Supplement)

5 BY repealing and reenacting, with amendments,  
 6 Article – State Finance and Procurement  
 7 Section 6–226(a)(2)(ii)62. and 63.  
 8 Annotated Code of Maryland  
 9 (2009 Replacement Volume and 2011 Supplement)

10 BY adding to  
 11 Article – State Finance and Procurement  
 12 Section 6–226(a)(2)(ii)64.  
 13 Annotated Code of Maryland  
 14 (2009 Replacement Volume and 2011 Supplement)

15 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
 16 MARYLAND, That the Laws of Maryland read as follows:

17 **Article – Economic Development**

18 10–401.

19 (a) In this subtitle the following words have the meanings indicated.

20 (c) “Corporation” means the Maryland Technology Development  
 21 Corporation.

22 **Article – Education**

23 **SUBTITLE 6. MARYLAND BIOTECH SBIR AND STTR BRIDGE PROGRAM.**

24 **21–601.**

25 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS  
 26 INDICATED.

27 (B) “CORPORATIONS” HAS THE MEANING STATED IN § 10–401 OF THE  
 28 ECONOMIC DEVELOPMENT ARTICLE.

29 (C) “ELIGIBLE BIOTECHNOLOGY BUSINESS” MEANS A FOR–PROFIT  
 30 BUSINESS THAT:

1           **(1) IS ENGAGED PRIMARILY IN THE RESEARCH, DEVELOPMENT,**  
2 **OR COMMERCIALIZATION OF TECHNOLOGY THAT COMPRISES, INTERACTS WITH,**  
3 **OR ANALYZES BIOLOGICAL MATERIAL; AND**

4           **(2) HAS ITS PRINCIPAL PLACE OF BUSINESS IN THE STATE.**

5           **(D) “FUND” MEANS THE MARYLAND BIOTECH SBIR AND STTR**  
6 **BRIDGE FUND ESTABLISHED UNDER § 21-603 OF THIS SUBTITLE.**

7           **(E) “PROGRAM” MEANS THE MARYLAND BIOTECH SBIR AND STTR**  
8 **BRIDGE PROGRAM ESTABLISHED UNDER § 21-602 OF THIS SUBTITLE.**

9           **(F) “SBIR” MEANS THE FEDERAL SMALL BUSINESS INNOVATION**  
10 **RESEARCH PROGRAM.**

11           **(G) “STTR” MEANS THE FEDERAL SMALL BUSINESS TECHNOLOGY**  
12 **TRANSFER RESEARCH PROGRAM.**

13 **21-602.**

14           **(A) THERE IS A MARYLAND BIOTECH SBIR AND STTR BRIDGE**  
15 **PROGRAM.**

16           **(B) THE PURPOSE OF THE PROGRAM IS TO SUPPORT AND PROMOTE**  
17 **ADVANCED RESEARCH IN BIOTECHNOLOGY IN THE STATE BY PROVIDING**  
18 **BRIDGE FUNDING TO ELIGIBLE BIOTECHNOLOGY BUSINESSES THAT HAVE**  
19 **COMPLETED AN SBIR OR STTR PHASE I PROJECT AND HAVE APPLIED FOR AN**  
20 **SBIR OR STTR PHASE II AWARD.**

21 **21-603.**

22           **(A) THERE IS A MARYLAND BIOTECH SBIR AND STTR BRIDGE FUND**  
23 **IN THE MARYLAND TECHNOLOGY DEVELOPMENT CORPORATION.**

24           **(B) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT**  
25 **SUBJECT TO REVERSION UNDER § 7-302 OF THE STATE FINANCE AND**  
26 **PROCUREMENT ARTICLE.**

27           **(2) THE STATE TREASURER SHALL HOLD THE FUND**  
28 **SEPARATELY, AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.**

29           **(C) THE FUND CONSISTS OF:**

1           (1)    **APPROPRIATIONS AS PROVIDED IN THE STATE BUDGET; AND**

2           (2)    **ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED**  
3 **FOR THE BENEFIT OF THE PROGRAM.**

4           **(D) THE EXECUTIVE DIRECTOR OF THE CORPORATION, OR THE**  
5 **EXECUTIVE DIRECTOR'S DESIGNEE, SHALL ADMINISTER THE FUND IN**  
6 **ACCORDANCE WITH THIS PART AND OTHER APPLICABLE LAW.**

7           **(E) THE FUND SHALL BE USED TO:**

8           (1)    **AWARD GRANTS UNDER § 21-604 OF THIS SUBTITLE; AND**

9           (2)    **COVER THE COSTS OF THE PROGRAM.**

10          **(F) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE**  
11 **FUND IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.**

12           (2)    **ANY INVESTMENT EARNINGS OF THE FUND SHALL BE**  
13 **CREDITED TO THE FUND.**

14          **(G) THE LEGISLATIVE AUDITOR SHALL AUDIT THE ACCOUNTS AND**  
15 **TRANSACTIONS OF THE FUND AS PROVIDED IN § 2-1220 OF THE STATE**  
16 **GOVERNMENT ARTICLE.**

17 **21-604.**

18          **(A) (1) SUBJECT TO PARAGRAPHS (2) AND (3) OF THIS SUBSECTION,**  
19 **THE CORPORATION MAY AWARD GRANTS TO ELIGIBLE BIOTECHNOLOGY**  
20 **BUSINESSES TO MATCH FUNDS RECEIVED BY A BUSINESS THROUGH AN SBIR**  
21 **OR STTR PHASE I PROPOSAL.**

22           (2)    **A GRANT AWARDED UNDER THIS SECTION MAY NOT EXCEED**  
23 **\$100,000.**

24           (3)    **THE CORPORATION MAY AWARD UP TO 10 GRANTS UNDER**  
25 **THIS SECTION EACH YEAR.**

26          **(B) TO QUALIFY FOR A GRANT UNDER THIS SECTION, AN ELIGIBLE**  
27 **BIOTECHNOLOGY BUSINESS MUST:**

28           (1)    **RECEIVE AN SBIR OR STTR PHASE I AWARD IN RESPONSE**  
29 **TO A SPECIFIC FEDERAL SOLICITATION;**

1           **(2) SATISFY ALL APPLICABLE SBIR OR STTR REQUIREMENTS;**

2           **(3) CERTIFY THAT:**

3                   **(I) MORE THAN 50% OF THE RESEARCH DESCRIBED IN THE**  
4 **SBIR OR STTR PHASE I PROPOSAL WILL BE CONDUCTED IN THE STATE;**

5                   **(II) THE ELIGIBLE BIOTECHNOLOGY BUSINESS WILL**  
6 **MAINTAIN ITS PRINCIPAL PLACE OF BUSINESS IN THE STATE FOR THE**  
7 **DURATION OF THE SBIR OR STTR PHASE II PROJECT; AND**

8                   **(III) THE ELIGIBLE BIOTECHNOLOGY BUSINESS WILL NOT**  
9 **RECEIVE CONCURRENT FUNDING FROM ANOTHER SOURCE THAT DUPLICATES**  
10 **THE PURPOSE OF THIS SUBSECTION; AND**

11           **(4) DEMONSTRATE ITS ABILITY TO CONDUCT RESEARCH IN ITS**  
12 **SBIR OR STTR PHASE II PROPOSAL.**

13           **(C) TO RECEIVE A GRANT UNDER THIS SECTION, AN ELIGIBLE**  
14 **BIOTECHNOLOGY BUSINESS MUST SUBMIT AN APPLICATION TO THE**  
15 **CORPORATION, IN THE FORM REQUIRED BY THE CORPORATION, WITHIN 90**  
16 **DAYS AFTER RECEIVING NOTIFICATION OF AN SBIR OR STTR PHASE I AWARD.**

17           **(D) AN ELIGIBLE BIOTECHNOLOGY BUSINESS MAY RECEIVE:**

18                   **(1) NO MORE THAN ONE GRANT UNDER THIS SECTION EACH**  
19 **YEAR;**

20                   **(2) NO MORE THAN ONE GRANT UNDER THIS SECTION FOR EACH**  
21 **PROPOSAL SUBMISSION; AND**

22                   **(3) NO MORE THAN FIVE TOTAL GRANTS UNDER THIS SECTION.**

23           **(E) A GRANT AWARDED UNDER THIS SECTION SHALL BE DISBURSED**  
24 **WHEN THE ELIGIBLE BIOTECHNOLOGY BUSINESS CERTIFIES THAT IT HAS**  
25 **SUBMITTED TO THE APPLICABLE FEDERAL AGENCY:**

26                   **(1) THE SBIR OR STTR PHASE I FINAL REPORT; AND**

27                   **(2) THE SBIR OR STTR PHASE II APPLICATION.**

1           **(F) THE CORPORATION SHALL ADOPT REGULATIONS TO ESTABLISH**  
2 **ADDITIONAL CRITERIA AND PROCEDURES FOR AWARDING GRANTS UNDER THIS**  
3 **SECTION.**

4                                   **Article – State Finance and Procurement**

5   6–226.

6           (a)   (1)   Except as otherwise specifically provided by law or by regulation of  
7 the Treasurer, the Treasurer shall credit to the General Fund any interest on or other  
8 income from State money that the Treasurer invests.

9                           (2)   (i)   Notwithstanding any other provision of law, and unless  
10 inconsistent with a federal law, grant agreement, or other federal requirement or with  
11 the terms of a gift or settlement agreement, net interest on all State money allocated  
12 by the State Treasurer under this section to special funds or accounts, and otherwise  
13 entitled to receive interest earnings, as accounted for by the Comptroller, shall accrue  
14 to the General Fund of the State.

15                                   (ii)   The provisions of subparagraph (i) of this paragraph do not  
16 apply to the following funds:

17   62.   Veterans Trust Fund; [and]

18   63.   Transportation Trust Fund; AND

19   **64.   MARYLAND BIOTECH SBIR AND STTR BRIDGE**  
20 **FUND.**

21           SECTION 2. AND BE IT FURTHER ENACTED, That it is the intent of the  
22 General Assembly that funding provided to implement this Act shall be in addition to  
23 and may not supplant funds, or alter the administration of funding, currently provided  
24 in the State budget to support other biotechnology programs in the State.

25           SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
26 October 1, 2012.